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S. I. No. 00 of 2024

**RULES OF PROFESSIONAL CONDUCT FOR LEGAL
PRACTITIONERS, 2024**

**THE NIGERIAN BAR ASSOCIATION ANTI-MONEY LAUNDERING
COMMITTEE (NBA-AMLC) APPOINTMENT AND EXAMINATION
RULES AND PROTOCOLS**

[20th Day of June, 2024]

Commence-
ment

PREAMBLE

WHEREAS, Chapter 2 of the Rules of Professional Conduct (RPC), 2023 provides for Guidelines and Rules on Anti-Money Laundering and Combating the Financing of Terrorism for Legal Practitioners.

WHEREAS, Rules 73(1) of the RPC empowers the NBA to create the NBA Anti-Money Laundering Committee (NBA-AMLC) to advise the NBA on the implementation and monitoring of compliance of firms and legal practitioners with respect to chapter 2 of RPC- Guidelines and Rules on Anti-Money Laundering and Combating the Financing of Terrorism for Legal Practitioners.

WHEREAS, pursuant to Rule 73(1) RPC the NBA has created an Anti-Money Laundering Committee (“the Committee”).

WHEREAS, the National Executive Council (NEC) of the NBA has approved the constitution and inauguration of the Committee and Appointment and Examination Rules and Protocols.

THEREFORE, in exercise of the powers conferred on the NBA by Rule 73(1) of the RPC, 2023 to create the NBA-AMLC (“the Committee”) to advise the NBA on the implementation and monitoring of compliance of firms and legal practitioners ; and pursuant to the Constitution and inauguration of the Committee, its approval and approval of the Appointment and Examination Rules and Protocols by the NEC of the NBA, the NBA now makes the following Rules —

PART 1 – OBJECTIVES AND APPLICATION

1. The objectives of these Protocols are to —

Objectives

- (a) facilitate and effective compliance examination of legal practitioners and law firms by the Committee ;
- (b) ensure fairness and justice in the examination of compliance ;
- (c) make appropriate recommendations to the NBA ; and
- (d) ensure proper coordination, security and management of transactions or persons.

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Application **2.** These protocols apply to the tenure, procedures and activities of the Committee and the examination of legal practitioners and law firms.

PART II — APPOINTMENT, TENURE AND REMOVAL OF MEMBERS OF THE COMMITTEE

Appointment
of members
of the
Committee **3.** The NBA President shall appoint members of the Committee subject to the approval of the NBA, National Executive Committee (NEC).

Tenure of
members of
the
Committee **4.** A member of the Committee shall be appointed for a single tenure of three years and no more

Removal of
members of
the
Committee **5.** A member of the Committee may be removed by the NEC upon the recommendation of the NBA President for inability to discharge the functions of the Committee, misconduct or any other good cause.

Resignation
of
membership
of the
Committee **6.** A member of the Committee may resign his appointment by notice in writing under his hand addressed to the NBA President and shall cease to be a member of the Committee on the date of receipt of the letter.

Independence
of the
Committee **7.** The Committee and its members shall, in the exercise of its functions under the RPC be independent, neutral and not be subjected to the direction or control of any person, group of persons or authority.

PART III — DUTIES OF THE COMMITTEE

Responsibilities
of the
Committee **8.** The Duties of the Committee are to —

 (a) advise the NBA on the implementation and to monitor the compliance of firms or legal practitioners with respect to chapter 2 of the RPC ;

 (b) solely undertake compliance examination of law firms on a risk-based approach and forward reports of such examination to the Special Control Unit Against Money Laundering (SCUML) ;

 (c) take the lead in identifying Money Laundering and Terrorism Financing risks, identify the peculiarities of the legal sector, asses its risks, controls and procedures and publish them from time to time ;

 (d) develop policies and procedures for identifying legal practitioners vulnerabilities to money laundering and terrorism financing, asses the standing of legal practitioners and make appropriate recommendations ;

 (e) develop compliance examination template and create a supervisory framework on Client Due Diligence (“CDD”) including beneficial ownership records ;

(f) receive reports from legal practitioners of positive match on the Nigerian Sanction List or United Nations (UN) Consolidated Lists of persons and entities resulting from their monitoring and screening, and the action the legal practitioners take for identifying and freezing funds and assets of such persons for transaction to the Sanctions Committee for the purpose of targeted financial sanctions ;

(g) receive Suspicious Transaction Report (STR) or Suspicious Activities Report (SAR) for submission to the Nigerian Financial Intelligence Unit (NFIU) for analysis and for any name matching the Sanctions Committee ;

(h) recommend legal practitioners in breach of Chapter 2 of the RPC to the NBA or its Legal Practitioners Disciplinary Committee (“the LPDC”) for the necessary action in accordance with the provisions of the Legal Practitioners Act (“the LPA”) ; and

(i) conduct training on CDD, Money Laundering and Terrorism Financing Risks for Legal Practitioners and firms.

PART IV — THE SECRETARIAT OF THE NBA-AMLC

9.—(1) The Secretariat of the Committee shall be domiciled at the NBA National Secretariat, Federal Capital Territory, Abuja.

(2) The Committee may establish offices in any other city or state of the Federation.

(3) The NBA shall equip the secretariat with such facilities as may be required for the efficient discharge of the duties of the Committee

(4) The Secretariat shall manage, direct and control its staff.

(5) The Committee shall devise measures for the maintenance, security, preservation, conservation and transmission of documents and records.

(6) The Committee shall in addition to adopting measures to ensure that the “need to know” is maintained at the Secretariat, also ensure that documents and data delivered by legal practitioner and firms in compliance with these protocols are not opened or examined by any unauthorised person.

(7) The Committee shall create, manage and control a dedicated secured portal for the submission and preservation of all documents.

PART V — POLICIES AND PROCEDURES FOR IDENTIFYING LEGAL PRACTITIONERS AND FIRMS AT ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

10. The Committee may serve compliance examination notice to any Legal Practitioner or firm by registered mail, courier, WhatsApp or any other electronic means.

Service of
Compliance
Examination
Notice

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Request for submission of AML-CFC and matters

11. The Committee may, at any time request a legal practitioner or firm to submit the following —

- (a) internal AML-CFT policies, procedures, and control ;
- (b) evidence of adequate screening or conduct of client's due diligence ;
- (c) evidence of employee AML-CFT training ; and
- (d) satisfactory evidence of identification of client, source of fund or wealth, beneficial owners of assets, purpose of transactions related to the clients including name, address, nationality, occupation or nature of business.

Request of submission of evidence of assessment of risks associated with AML-CFT

12. The Committee may at any time, call on a legal practitioner or firm to submit evidence of assessment of risks associated with a transaction, and documentation of red flags or AML-CFT indicators demonstrating awareness of risks and steps taken to mitigate the risks.

Request of submission of evidence collated at CDD or EDD

13. The Committee may at any time call on a legal practitioner or firm to submit evidence record or documentation collected or collated under the legal practitioner or firms CDD or EDD procedure, including evidence of source of funds, outcome plans, including comprehensive risk assessment to particular clients or category of clients such as politically exposed persons as transaction.

Maintenance of Identification number of clients

14.—(1) Notwithstanding the provisions of Chapter 2 of the RPC, a Legal Practitioner and a firm shall obtain and maintain identification records of each client.

(2) The minimum CDD requirement for client shall include —

- (a) name of client, whether a natural person or artificial person such as a company, partnership, foundation, civil society organisation, trust e.t.c ;
- (b) address ;
- (c) telephone ;
- (d) email address ;
- (e) date of birth or incorporation ;
- (f) type of identity document such as NIN, drivers licence number, international passport number, relevant documents of incorporation or registration, copies of which shall be obtained and maintained in the clients file ;
- (g) nationality or place of registration as the case may be ;
- (h) name of bank and account details ;
- (i) employment, occupation or nature of business ;
- (j) date of commencement of lawyer and client relationship ; and
- (k) nature of service rendered to the client.

(3) EDD shall be required depending on geography, type of client, and risks associated with a client or transaction and based on National risk assessment reports issued by National Authorities from time to time.

(4) The Committee may at any time require a legal practitioner or firm to submit evidence of expert assistance obtained to determine the ML/FT risks of particular client instructions, provided that this will only be relevant where a legal practitioner or the firm lacks the expertise to determine the risk or where services were declined by the legal practitioner or firm.

Submission
of expert
evidence to
determine
money
laundering
and
terrorism
financing

(5) The Committee may require a legal practitioner or firm to submit evidence of —

Submission
of risk based
related
evidence

(a) documentation of the risk-based approach including country geographic risk-client risk transaction or service risk, documentation risk ;

(b) risk management and mitigation practices, policies and procedure, including CDD and EDD in line with Rule 67 RPC ;

(c) documentation of adequate Internal Risk Assessment Guidelines ;

(d) evidence of internal measures to establish with certainty, the identity of each client in compliance with Rule 69 RPC ;

(e) documentation of monitoring of clients and specified activities in line with Rule 7 of RPC ;

(f) all risk assessment documentation ;

(g) documentation of risk assessment for each client ;

(h) documentation of specific risks categorised into geographic, client-based, and service-based risk ; and

(i) documentation of all suspicious transactions and delivery to the Committee.

(6) The Committee may at any time call on a legal practitioner or client to submit evidence of documentation and assessment of background checks of a lawyer or staff employed by the legal practitioner or firm as part of its market entry control checks.

Submission
of evidence
of
documentation
and
assessment
of
background
checks

(7) The market entry controls check shall be carried out before hiring using a risk-based approval and shall include background checks to determine if a prospective associate, partner or staff has been —

(a) convicted of any offence involving dishonesty or fraud ;

(b) convicted of money laundering, terrorism or proliferation financing offences ;

(c) guilty of serious misconduct in relation to duties ;

(d) disqualified or suspended from practicing his profession at any time ;

(e) directly involve in the management of a company which has been wound up by the Federal High Court ;

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(f) the subject of a disciplinary or criminal proceeding or has been notified of any such proceeding or investigation which might lead to such proceeding ;

(g) an entity where the person is a beneficial owner or significant shareholder, director or senior management staff has been investigated, disciplined, suspended by a regulatory or professional body, a court or tribunal whether publicly or privately ;

(h) dismissed, terminated or asked to resign from employment or position of trust, fiduciary appointment or similar position on account of his honesty or integrity ; or

(i) disqualified by the Companies and Allied Matters Act or any other legislation or regulation from acting as a director or serving in a management capacity.

PART V — SUPERVISORY AND MONITORING FRAMEWORK

Committee's
right of
supervision
and
monitoring

15. The Committee may conduct on-site visit to a firm to inspect relevant files, policies, manuals, data or other documents required to be maintained by a legal practitioner or firm under the RPC

Service of
notice of on-
site
visitation
and
verification

16. The notice of on-site visit shall be served on a legal practitioner or firm not later than 3 working days before the visit and the Committee shall conduct the inspection on a date to be agreed between the Committee on the legal practitioner or firm.

Consequences
of a legal
practitioner
or Firms
non-
compliance
with
visiting team

17. Where a Legal practitioner or firm refuses to allow the Committee access to his office or records or in any other way neglects to cooperate with the Committee during visitation, the Committee may report the legal practitioner to the LPDC, provided that the Committee may stipulate a timeline for compliance reporting to the LPDC.

Documents
required
prior to
visitation

18. The Committee may prior to the visitation require a legal practitioner or firm to forward to the Committee within 14 days, the legal practitioner or firm —

(a) risk assessment in relation to AML risk assessment and proliferation financing either in a separate document or include it within the legal practitioner or firm wide risk assessment ;

(b) policies and procedures ;

(c) ongoing monitoring and management of compliance with policies, controls and procedures such as random file audits and checklists ;

(d) client AML risk assessment template ;

- (e) AML related training records ;
- (f) list of any open matters the legal practitioner or firm have identified as high risk ;
- (g) list and details of legal practitioners and staff of the firm ; and
- (h) questionnaire describing the services being provided by the legal practitioner to the client.

PART VI — VERIFICATION OF COMPLIANCE

19. The Committee may inspect client files and relevant documents for assessing compliance or good standing of a legal practitioner or firm with AML or CFT standards.

Verification of Compliance with Rule 73 RPC

20. Where the Committee is dissatisfied with the relevant compliance, the Committee shall serve a written notice by registered mail, courier, email, whatsapp or any other electronic means to the legal practitioner or firm to make good the non-compliance and submit a signed written representation with supporting documents to the Committee showing actions taken to comply or stating reasons for objecting to the finding of unsatisfactory compliance.

Committee dissatisfaction with relevant compliance

21. A written representation of a legal practitioner or firm shall state the —

- (a) name of the legal practitioner or firm;
- (b) year of call, or in the case of a firm, year of call of the principal or managing partner ;
- (c) Supreme Court Enrollment Number ;
- (d) Address ;
- (e) Telephone number and email address ;
- (f) Tax Identification Number ;
- (g) National Identity Number or International Passport or National Driver's License Number ; and
- (h) detailed representation responding to the template or note with supporting documents where necessary.

Contents of written representation by legal practitioner or firm

22. A written representation to the notice shall be delivered to the Committee not later than 14 days from the service of the notice.

Length of time for service of written representation

23. The Committee may continue its review and make recommendation of standing where there is a failure to make a written representation, provided that oral representation shall not be received in the absence of a written representation.

Committee's right to continue with review in default of written representation

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Committee's
right to refer
its finding to
the LPDC ;
and

Committee's
right to refer
matter to
NBA

Other
actions of
the
Committee

24.—(1) Where the Committee determines after a review that a legal practitioner or firm has fail to comply with the RPC AML-CFT obligations, the Committee may refer the legal practitioner to the LPDC for appropriate sanctions.

(2) The Committee may, pending action by the LPDC, notify the NBA that the defaulting legal practitioner is not in good standing with AML-CFT obligations.

25. The Committee may —

(a) issue a guidance where a legal practitioner or firm is complaint with the standards required in the regulation; or in cases where the firm needs to make minor changes or the need to share best practice.

(b) issue letters of engagement for partially complaint legal practitioner or firm is doing well with some element of control in preventing money laundering, but require assistance for improvement, in which case the Committee will engage with them for assistance to refine their processes and bring them into full compliance.

(c) implement a compliance plan for partially complaint legal practitioners or firm where —

(i) there are more widespread concerns ;

(ii) there are a number of elements of control of a legal practitioner or firm control that need improvement ; or

(iii) the level of non-compliance is of concern.

(d) set up a compliance plan to assist non-compliance firms in meeting its obligations.

PART VI — COMMUNICATION FRAMEWORK WITH THE SCUML, NFIU AND SANCTION COMMITTEE

Communication
framework

26.—(1) The Committee shall design and implement a communication framework for coordination with SCUML, NFIU, Sanctions Committee and other agencies and institutions.

(2) The communication framework referred to in subrule (1) of this rule may stipulate minimum amounts circumstances or other factors that may trigger forwarding of STRs or SARs received from legal practitioners or firm to NFIU.

(3) The Committee shall determine the criteria for forwarding reports of compliance examination of legal practitioners or firms to SCUML.

(4) In the case of STRs or SARs relating to name matching of persons on the Nigeria Sanction List or on the UN Consolidated List or reports of suspected terrorism financing, the Committee shall transmit such reports to

the Sanctions Committee and NFIU, as the case may be, within 24 hours of the receipt of the report from a legal practitioner or firm.

PART VIII — CONFLICT OF INTEREST AND CONFIDENTIALITY

27.—(a) A member or other staff of the Committee who is aware of an actual or potential conflict of interest in relation to the work of the Committee shall promptly disclose his interest to the Chairman or Secretary of the Committee and shall recuse himself from participating in the assignment in which he has interest.

Disclosure
of interest in
conflict
situation

(b) A member or other staff of the Committee who is to participate in a review or visitation relating to a legal practitioner or firm shall make or be deemed to have made the following declaration —

I, ...
confirm that I do not have an actual or potential conflict of interest in accepting to participate in the review, visitation and deliberation relating to the legal practitioner or firm, and that I will inform the Chairman or Secretary if I become aware”

(c) The proceedings of the Committee, records and data on all matters brought before the Committee are confidential and all members and other staff of the Committee shall maintain that confidentiality and not disclose it to whoever without being authorised.

PART IX — GENERAL

28. All notices, responses, and correspondences from and to the Committee may be shared with members through electronic means.

Means of
sharing
notices, etc.

29. A decision of the Committee shall be taken by a simple majority votes of members present, provided that —

Determination
of decisions
of the
Committee

(a) where a decision is not unanimous, the view of the minority may be recorded on the minutes or report ; and

(b) in the case of a tie, the Chairman shall have a casting vote.

30. The quorum for a Committee meeting shall be the presence of one co-chairman and three other members.

The quorum
for a
Committee’s
meetings

31. The Committee may conduct its meetings virtually through any digital platform.

Right to
conduct
meeting
virtually

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Payment of
cost for the
work of the
Committee

32. The Nigerian Bar Association shall bear the cost of the work of the Committee.

Review and
Amendment

33. These protocols shall be subject to periodic review, and any amendment shall be approved by the NBA National Executive Committee.

Interpretation

34. In these Rules and Protocols —

“*AML*” means Anti-Money Laundering

“*AML-CFT*” means Anti-Money Laundering, Combating the Financing of Terrorism

“*CCD*” means Client Due Diligence

“*EDD*” means Enhanced Due Diligence

“*LPA*” means Legal Practitioners Act

“*LPDC*” means Legal Practitioners Disciplinary Committee

“*ML-FT*” means Money Laundering, Terrorism Financing

“*NBA-AMLC*” means Nigerian Bar Association Anti-Money Laundering Committee

“*NEC*” means National Executive Committee of the Nigerian Bar Association

“*NFIU*” means Nigerian Financial Intelligence Unit

“*RPC*” means Rules of Professional Conduct

“*SCUML*” means Special Control Unit Against Money Laundering

“*STR*” means Suspicious Transaction Report

Citation

35. This Rules may be cited as NBA Anti-Money Laundering Committee Appointment and Examination Rules and Protocols.

DATED this 20th day of June, 2024.

ADESINA ADEGBITE, FCIMC
Secretary
Nigerian Bar Association

YAKUBU CHINOKO MAIKAYAU, OON, SAN
President
Nigerian Bar Association